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California State Senate

SENATOR
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March 7, 2014

The Honorable Jerry Brown
Governor of California
State Capitol
Sacramento, CA 95814

Dear Governor Brown,

Our current drought is affecting every part of this region. We are concerned that if we do not act to protect our water, we will be facing repercussions that will last far longer than this current water emergency.

We are greatly concerned about the issue of usurping the holders of current water rights and disrupting the state system of rights and priorities. For decades, our farming community has relied on those rights to be able to ensure that they can operate even under stressed conditions. The San Joaquin River Exchange Contractors are Pre-1914 senior water rights holders and their contract made the Central Valley Project possible. In February, the US Bureau of Reclamation announced they would provide a 40% allocation to the Exchange Contractors. A "Critical" year defined in the Exchange Contract is a 75% allocation. Now, actions by the State Water Resources Control Board could now cut deliveries to the Exchange Contractors to zero.

The State Water Resources Control Board staff recommendations would take operational control of the Central Valley Project away from the Bureau, which could lead to no water delivered for agriculture in 2014. The SWRCB does not have the operational background and technical expertise that is needed to manage the CVP and their interference could lead to staggering economic impacts for our state. This is not the time for the SWRCB to step in and make the system less flexible and limit effective management of our water.

We fully agree with the importance of conserving water for the health and safety of the public if this emergency continues. The water used for this purpose needs be clearly accounted for and substantiated if it means no water will be delivered for agriculture. To date the SWRCB has only provided a figure of 3.1 million acre feet that they want reserved for health and safety. They have provided little backup as to how they arrived at this number and the CVP contractors and Bureau operators feel the amount needed is much less. The bottom line is that the Bureau, working in concert with the CVP operators, believes they can continue to operate the system to meet health and safety demands along with providing some deliveries to agriculture.

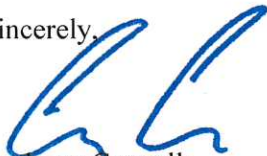
The state's assumption that the Exchange Contractors can rely upon groundwater is faulty and will deprive many users of their only source of water. 80% of the growers in the region do not have their own wells, and unless already contracted there are no well drillers available to install new wells. Even district owned wells can only deliver up to half an acre-foot per acre in some areas. It must be noted, however, that is spread throughout the entire irrigation season. It also assumes there is surface water flowing in the canals to minimize water loss. This could result in the fallowing of over 200,000 acres in the Exchange Contractors' service area, which totals 240,000 acres.

Should the SWRCB reduce operational flexibility by reserving excessive amounts of water in storage, the economic impacts to agriculture and the state will be staggering. It was only four years ago when communities reached unemployment rates of over 40%. The state provided emergency food deliveries in Firebaugh, Huron, Mendota, Selma and San Joaquin. 46% of the total employment in the Exchange Contractors' service area and those communities is related to agriculture. For some communities, this number increases to 84%. Over 4,000 jobs within the area are in jeopardy. In just one year, there would be an over \$800 million loss in the region if those acres were to be fallowed. While some money has been made available for social programs, the bottom line is that people want to work and farmers want to produce. Health and Safety should take economic impact and food production into account.

When you look at the long-term impacts, they are every bit as devastating. If the state's actions undermine the historic rights and priorities that have governed California water for decades the precedent will have a domino effect. Water users rely on the historic system of water rights and priorities to be able to obtain financing that keep their businesses open. By allowing the state to have unilateral discretion over those rights, there will be major impacts to the yearly operations of the agriculture industry.

The bottom line is we cannot allow operational control of the CVP to be wrested from the Bureau of Reclamation. This time of crisis is when we need the system to be run by the most experienced operators. They should work in concert with the SWRCB but be allowed to make the operational decisions that will make the most sense. We believe in the health and welfare of the public and fully support actions that will provide water to those that need it during this drought. We do not, however, believe that this action would support those goals.

Sincerely,



Anthony Cannella
Senator, 12th District



Adam Gray
Assemblyman, 21st District

CC: Karen Ross, Secretary, California Department of Food and Agriculture
John Laird, Secretary, California Natural Resources Agency
Mark Ghilarducci, Director, California Office of Emergency Services
Felicia Marcus, Chair, State Water Resources Control Board
Frances Spivey-Weber, Vice Chair, State Water Resources Control Board
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